



# Innovate Rhode Island Small Business Fund

SBIR/STTR Phase 0 Grant  
Program Guidelines

RI Science & Technology Advisory Council

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## **INTRODUCTION**

### **About the Rhode Island Science and Technology Advisory Council (STAC)**

The Rhode Island Science and Technology Advisory Council (STAC) is a coalition of business, academic, medical and government leaders with the mission to recommend to state leadership strategic investments that drive economic development and job creation by maximizing the economic impact of research, technology and innovation. STAC initiatives support the state's research and development activities by promoting collaboration across institutions and encouraging entrepreneurship and new company creation through the transfer of new technologies and discoveries into the marketplace.

### **About the Innovate Rhode Island Small Business Fund (IRSBF)**

In 2013, to foster job creation, facilitate small business development and enhance the workforce pipeline, the Rhode Island General Assembly created the Innovate Rhode Island Small Business Fund (IRISBF). Through the Fund, eligible Rhode Island small businesses may apply for grants and loans to defray the cost of applying for SBIR/STTR awards, to match SBIR/STTR Phase I and Phase II awards and to hire interns. The goals of the program are to leverage state funds to encourage and support Rhode Island entrepreneurial participation in the federal SBIR/STTR programs, increase the amount of federal research dollars received by Rhode Island firms, sustain companies through the early stages of product development, encourage the establishment of high potential, high quality, high growth ventures in Rhode Island and enhance the talent pipeline in the life sciences and engineering fields.

### **Availability of Funds**

Article 23 of the FY14 RI State Budget establishes the Innovate Rhode Island Small Business Account as a special revenue fund to be administered by the Rhode Island Science & Technology Advisory Council in the amount of \$500,000 for FY 14.

### **Release of Information**

Information submitted to STAC on applications for public funds are a matter of public record and subject to release under the Rhode Island Access to Public Records Act (R.I. Gen. Laws §38-2-1 et seq.). STAC does however have the right to redact any information which is exempt under the statute before releasing the documents. The exemptions that would most pertain to applications include but are not limited to reports and statements of strategy or negotiation, trade secrets and commercial and financial information which is privileged or confidential pursuant to R.I. Gen. Laws §38-2-2.

## **Phase 0 Grants for SBIR/STTR Proposal Preparation**

### **Overview**

The federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs represent the largest source of early-stage, high-risk technology financing in the United States. Eleven federal agencies participate in this program which provides over \$2 billion for early stage research and development projects leading to commercialization of resulting products or services. The programs are designed to benefit entrepreneurs and small businesses -- while increasing the competitiveness of the U.S. economy -- by funding the development of innovative products and services.

The IRISBF provides grants to assist small businesses offset the costs associated with preparing a competitive Phase I SBIR/STTR application.

### **Who May Apply**

In order to be eligible for a Phase 0 grant, a business must satisfy the following conditions:

- Is a for-profit Rhode Island-based business with fifty (50) or fewer employees. For purposes of this program, a Rhode Island-based business is one that has its principal place of business and at least fifty-one percent (51%) of its employees residing in this state;
- Has submitted a qualified SBIR/STTR Phase I proposal to a participating federal agency in response to a specific federal solicitation from January 1 to June 30, 2014 inclusive.

Applicants meeting the above eligibility criteria must also:

- Satisfy all federal SBIR/STTR requirements;
- Certified that at least fifty-one percent of the research described in the SBIR/STTR Phase I proposal will be conducted in Rhode Island and that the business will remain a Rhode Island based business for the duration of the SBIR/STTR Phase I project;
- Demonstrated Freedom to Operate;
- Pledges it has not received and will not seek concurrent funding support from other sources that duplicate the purpose of the matching grant;

### **Amount of Award and Restrictions**

Applicants may receive a grant as reimbursement for up to 50% of eligible direct costs up to a maximum of \$3000.00 associated with preparing and submitting a Phase I SBIR/STTR grant application.

A business may receive only one Grant per year and may receive only one grant with respect to each federal proposal submission.

Costs that may be reimbursed include:

- legal assistance; includes intellectual property, legal agreements, and business documents
- proposal review and editing
- electronic submittal of proposals
- budget preparation and review
- market research to support commercialization planning, including cost estimates for manufacturing if necessary
- commercialization planning assistance
- commercialization plan review

Applicants must certify that professionals retained by the applicant and for whose services reimbursement is sought must certify the provider is qualified to provide the services as defined by any combination of the following competencies:

- familiar with federal regulations, proposal development
- subcontract management experience in government or civilian contracting
- technical writing expertise
- experience defining existing market opportunities and assessing potential markets
- experience commercializing technology products and services
- knowledge of federal accounting systems and reporting requirements
- experience in grant application review
- marketing, product management, business process redesign

Over its lifetime, a business may receive a maximum of six (6) awards.

### **Intellectual Property**

The Principal Investigator representing the applicant business must have demonstrated the Freedom to Operate and perform research and commercialization activities related to the proposed activity funded by the SBIR/STTR award. Acceptance of this grant does not transfer any intellectual property rights. All information and findings derived from activities funded by the Rhode Island Science & Technology Council and the Innovate Rhode Island Small Business Program remain the property of the grantee.

### **Reporting Requirements**

Businesses receiving reimbursement must agree to submit a report to STAC within 30 days of notification that the Phase I application will or will not be funded. The report must include whether the amount of the award, a description of how the Phase 0 funds contributed to the business receiving the award and any plans for expansion or investment due to the receipt of the award. If the Phase I is not granted, the Final Report should describe whether the company will continue the proposed R&D using its own resources.

Businesses receiving matching funds must agree to provide STAC with information on an annual survey for five (5) years. Failure to file reports as required or participate in the survey may cause the recipient to be barred from receiving future IRISBP funding.

Businesses must also agree to maintain records and accounts that properly document and account for the use of STAC funds for a period of five (5) years and agree to comply with any audit requests. In the event that an audit results in the determination that the recipient has expended contract funds on unallowable costs, they shall reimburse STAC in full for all such costs.

### **Application Instructions**

Businesses seeking to apply for Phase 0 Grant preparation reimbursement funds should electronically submit an application form found in the Appendix of these Guidelines to STAC following the directions on the STAC website. In addition to the electronic application, businesses must submit to STAC an acknowledgement of receipt of the Phase I proposal by the relevant federal agency, an itemized statement of the costs to be reimbursed and a hard copy of the Notarized Certification of Application also found in the Appendix of these Guidelines.

STAC will review applications to confirm compliance with the requirements stated in these Guidelines and has the discretion to request supplemental materials from applicants as part of its review. Applications will be reviewed on a rolling basis until available funding is exhausted. Applicants will be notified if their application meets compliance with all requirements and is approved or if the application does not meet compliance and is denied.

# APPENDIX

**Innovate Rhode Island Small Business Fund**

**SBIR/STTR Phase 0 Grant Application**

To qualify for funding, applications must be complete and in full compliance with all stated requirements.  
Incomplete or non-compliant applications may be returned to the applicant without further review.

Applicant Firm:	_____
Firm Address:	_____
Tax ID #:	_____
Form of Business:	_____
Date Established:	_____
Principals, Titles & % of Ownership:	_____
Telephone:	_____
Email:	_____
Fax:	_____
Website:	_____
RI House District:	_____
RI Senate District:	_____
Total # of employees	_____
Scientific	_____
Managerial	_____
Technical	_____
Skilled	_____
Unskilled	_____
Use of Reimbursement	_____
	_____
	_____
	_____
	_____
	_____
PI Name:	_____
Federal Agency to Which proposal Was submitted:	_____
Proposal Abstract:	_____
	_____
	_____
	_____

**Innovate Rhode Island Small Business Fund**  
**SBIR/STTR Phase 0 Grant Certification of Application**

**Please Note**

Eligibility for financial assistance under the Innovate Rhode Island Small Business Program will be determined by the information presented in the application. Any changes in the status of the proposed project from the facts presented herein could disqualify the project.

**Certification and Acknowledgment**

I hereby represent and certify that the information submitted in the application, to the best of my knowledge, is true, complete and accurately and fairly describes the project for which financial assistance is requested.

I further certify that I understand the following terms and conditions and accept these terms and conditions as a basis for financial assistance and the continuation of any such funding.

- 1) The applicant is current with all federal taxes.
- 2) The applicant is current with all state taxes.
- 3) The applicant is current with all city/town taxes.
- 4) The applicant is a for-profit, RI based business with 50 or fewer employees.
- 5) The applicant shall not receive concurrent funding support from other sources that duplicate the purposes of this award.
- 6) At least 51% of the research described in the federal SBIR/STTR Phase I will be conducted in RI.
- 7) The applicant will remain in RI for the duration of the SBIR/STTR Phase I.
- 8) The PI of the proposal has the Freedom to Operate and perform research and commercialization activities related to the proposed activity funded by the SBIR/STTR award.
- 9) Any professional retained by the applicant whose services are the subject of a reimbursement request meets the qualifications as outlined in the Guidelines.
- 10) The applicant hereby certifies that the applicant or his/her spouse or any member of the ownership of the applicant, in the event that the applicant is a corporation or a limited liability company or a limited partnership, is not related by blood through marriage, to any member of or staff of the Rhode Island Science & Technology Advisory Council.

I affix my signature on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_